



CITY OF SAN ANTONIO

P O BOX 839966

SAN ANTONIO, TEXAS 78283-3966

Honorable Mayor and
Members of the City Council Governance Committee
City of San Antonio

March 19, 2003

Terry M. Brechtel
City Manager

Jelynn L. Burley
Assistant City Manager

Frances A. Gonzalez
Assistant to the City Manager

The Office of the City Internal Auditor has completed an audit of the long-term job-training program operated by Project QUEST, Inc. (Project QUEST) that was funded by the City of San Antonio (City) during the fiscal years ended September 30, 2001, and September 30, 2002. We performed our audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

We identified findings and issues related to Project QUEST's compliance with its contracts with the City. Also, we made recommendations to assist City staff and the agency in taking appropriate actions to bring Project QUEST into compliance and to strengthen City monitoring activities. We identified areas where City contract processes, language, and monitoring should be streamlined for greater effectiveness and efficiencies. We have met with City management and the Directors of the Departments of Community Initiatives (DCI) and Housing and Community Development (HCD) to discuss the issues identified in the report and have gained their overall concurrence with our recommendations.

City departments have identified action steps that are detailed in the attached report. They should be contacting Project QUEST as soon as possible to initiate whatever action is necessary by the agency to respond to the audit issues.

We would like to acknowledge the Directors of the Departments of Community Initiatives and Housing and Community Development and their staffs, as well as the Executive Director of Project QUEST and her staff, for providing us with complete and timely information during this audit.

A handwritten signature in cursive script, reading "Patricia M. Major".

Patricia M. Major, CPA, CCM, CGFM
City Internal Auditor

Cc: Dennis J. Campa, Director, Department of Community Initiatives
Andrew W. Cameron, Director, Department of Housing and Community Development